

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice LP-2065**

**For:** Peanut State and County Offices, Peanut CMA's, and DMA's

**2007 Policy and Procedures for Peanut Storage and In-Handling Offsets**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Farm Security and Rural Investment Act of 2002 required CCC to pay storage, handling, and other associated costs for all peanuts placed in the Marketing Assistance Loan (MAL) Program through the 2006 crop year. This mandate was terminated with the 2007 crop. Based on the termination of this policy, a determination needed to be made on the policy, procedures, calculation, and method for collecting storage and in-handling from producers who place their peanuts in the MAL Program.

8-LP, subparagraph 410 C provides authorization for County Offices to accept offsets for amounts contained on a separate bill or statement of unpaid charges associated with the handling of the commodity represented by the warehouse receipt. 8-LP, subparagraph 411 A provides that loan proceeds are to be disbursed as directed by each producer who has a share in MAL after offset.

**B Purpose**

This notice informs peanut State and County Offices, peanut CMA's, and DMA's of the modified policy to apply additional offsets to peanut loans and LDP's.

Disposal Date	Distribution
August 1, 2008	Peanut State Offices; State Offices relay to applicable County Offices, Peanut CMA's, and DMA's
6-21-07	

## 2 Policy and Procedures for Offsets

### A Policy Change

County Offices and DMA's are authorized to offset charges for peanut storage and in-handling in addition to cleaning, drying, custom harvesting, and seed accounts.

**Note:** Storage charges can be offset **only** if the warehouse receipt indicates that storage has been paid or provided for, as applicable.

### B Lien and Lien Waiver Clarification

8-LP, subparagraph 410 C outlines guidelines for authorizing offsets. These guidelines will apply to all of the authorized peanut offset charges listed in subparagraph A.

### C County Office and DMA Action

County Offices and DMA's shall:

- effective for 2007 crop peanuts, offset charges for peanut storage and in-handling in addition to cleaning, drying, custom harvesting, and seed accounts and continue disbursing loans according to 8-LP, paragraphs 411 and 450
- **not** offset storage charges if the warehouse receipt indicates no storage has been paid or provided for, as applicable
- ensure that the contents of this notice are disseminated publicly to all parties working with or participating in the Peanut MAL Program
- see Notice LP-2043 for additional information and frequently asked questions and answers about DAFP authorized peanut loan deductions and CCC-679 policies.